

FAA RESPONSE TO SENATOR OBAMA'S LEGISLATION



Federal Aviation Administration

*Changing the Rules, Hurting the FAA,
and Taking Authority from Congress*

- ▶ Senator Obama's bill dismantles the long-standing statutory method for resolving wage disputes with the FAA and its unions, removes Congress' control over the appropriations process, damages the FAA's current negotiating position, and could end up costing the taxpayer billions of dollars.
- ▶ The FAA is one of the only federal agencies that negotiates pay. Most agencies simply set pay. This unusual right was given to the FAA in 1996. In exchange, Congress required disputes over pay be sent to the Hill. Because new contracts could cost billions of dollars, it only makes sense that Congress would want the final say.
- ▶ Under Senator Obama's bill, however, all future pay disputes between the FAA and its 9 major unions, which represent 45 bargaining units, would be sent to binding arbitration, thereby giving Congress' control of the FAA's budget to a third-party arbitrator. This would be unprecedented in government.
- ▶ The 1998 NATCA contract - -which was the first time the agency ever negotiated pay - - resulted in a massive windfall for the union. What was promised to cost \$200 million over the first 3 years, actually cost \$1.1 billion over that same period. The controllers received a 75% pay increase since 1998.
- ▶ But NATCA is still pushing for more. NATCA's current contract proposal would put the average controller compensation package for all controllers over \$200,000 within 5 years. The FAA opposes this, and as a result, NATCA wants to legislate an outcome that allows them to further increase their already high salaries.
- ▶ Senator Obama's bill does this by changing the rules in the middle of the game. NATCA believes it has a better chance with an arbitrator than with Congress. Moreover, it allows the union to further stall negotiations. The reason we have not reached agreement is that NATCA negotiators have refused to seriously discuss key wage issues with the agency. Why? Because they want to change the rules.
- ▶ If NATCA were serious about a negotiated settlement, then they would accept the agency's repeated requests to mediate before an impasse is reached, as required by current law. NATCA's professed desire to reach a settlement can't be taken seriously. Why pass a law requiring arbitration when the union won't even participate in mediation?